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ABSTRACT

This study was undertaken to describe the perceptual, demographic, and psychological characteristics of black businesspeople in the inner-city community of Buffalo, New York, in order to assist commercial and investment bankers in the formulation of advertising and loan strategies. Of 380 questionnaires distributed to the target population, 104 were returned. Analysis of data attempted to gauge the relationship of the audience (the businesspeople) to the communicator (the banks), the relationship of the audience to the subject and to the purpose of the message, the basic beliefs and attitudes of the audience, and the characteristics of the audience. Although guidelines for communicating with the black business audience were suggested on the basis of this investigation, the economic realities of a tight money market discouraged their implementation. (KS)

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AN AUDIENCE ANALYSIS OF INNER CITY BLACK BUSINESSPEOPLE

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One of the perpetual problems of the social scientist in general and the communication scholar in particular is bridging the gap between theory and practice. As communication scholars we say that the effective communicator is one who adapts to the audience and that adapting to an audience requires the communicator to analyze the audience in search of common characteristics, beliefs, and opinions. But simply saying, "Analyze the audience and adapt to them," does not answer the practical question, "How do you do that?" This paper is a discussion of the procedures which were used to analyze an audience of black businesspeople, the results of that analysis, and the recommendations which were developed for adapting to that audience.

A series of discussions with officers of commercial and investment banks in the Buffalo, New York, area begun in 1971 lead us to this investigation of a communication problem of theoretical interest, but, more importantly, of long run social and economic importance. The Report of the National Advisory Commission on Civil Disorders (1968) pointed up the need for special encouragement of black ownership of businesses. The bankers wanted to be able to make more commercial loans to black businesspeople to encourage the establishment and/or expansion of black owned businesses. However, their loan portfolios showed that relatively few black owned businesses made applications for loans and, of these, a relatively large number were not approved. A statistical census compiled by the Office of Minority Business Enterprise (1973) showed that, while about 11.1 percent of the American population is black, only about 4 percent of American businesses are owned by members of minority groups.

The problem which the banks discussed was how to develop promotional and advertising messages which might increase the number of black owned

businesses applying for loans. The bankers were operating on the assumption that, if there were more applicants, there would be more loans made. We extended the question to include the possibility that the problem was not the number of applicants, but the criteria used to screen those applicants. This extension seemed reasonable in light of Smith's (1973) discussion of the problems in interracial communication caused by the inappropriate application of culturally specific value measures.

In conducting our analysis of Buffalo area black businesspeople as an audience we began with Holtzman's (1970) question:

What do /we/ know about the /audience's/ experiences and ways of seeing and thinking about things that /we/ can get /them/ to relate to /our/ topic? (p. 14)

Our review of the literature indicated that the answer to that question was, "Not much." Bibliographic analyses of black businesspeople such as those by Winters, Klein, and Brunner (1970) and Halliday (1972) tend to be anecdotal. More comprehensive bibliographies on black people such as those of Miller (1966) and West (1969) devote only minute portions to black businesspeople. Indeed, our review was much like Foley's (1968):

My research assistant and I canvassed the literature on anything conceivably bearing on this subject and about the only things we could find were non-published circulars and tracts of the Black Muslims and other black nationalist groups. (p. 9)

We did, however, find two significant research projects which were not available to Foley. The first by Crain and Weisman (1972) was an analysis of psychological differences between the general black and white populations. The second by Andreasan (1971) was a comparison of the demographic characteristics of inner city black and white businesspeople. These two studies were highly influential in the design of our audience analysis.

Methodology

The purpose of this study was to describe the perceptual, demographic, and psychological characteristics of black businesspeople in the inner city community of Buffalo, New York. We used a questionnaire and interview technique in order to gather our data.

People. The people we surveyed were the black owners of 380 businesses in the Buffalo inner city. The area chosen was identical to the area surveyed in the Andreasen (1971) study. Of the 380 questionnaires distributed, 104 were returned. Four of the returns were received too late for inclusion in the analysis. Thus, we had a 27 percent rate of usable returns.

Materials. Each person surveyed received a four part packet of materials including: (1) a cover letter explaining the purpose of the study, (2) the three part questionnaire, (3) a return envelope, and (4) a stamped post card with which to request a summary of the study. The three parts of the questionnaire were: (1) a seven item demographic inventory based on Andreasen's (1971) inventory including questions of sex, education, area of growing up, neighborhood in Buffalo, age, type of business, and length of years in business; (2) a ten item Crain and Weisman (1972) self-esteem scale with a reliability coefficient of .74; and (3) a five item Crain and Weisman (1972) internal-control scale derived from Coleman (1966) and Rotter (1966).

Procedures. During the Summer of 1973, three hundred and forty questionnaires were hand delivered to the black owners of businesses in the study area. Another forty questionnaires were left in mail boxes or doorways of apparently operating businesses. Many of the businesses in the study area were operated on a part-time, occasional, or erratic hours basis. When a questionnaire was delivered the researcher talked with the businessperson about the study. Appointments were made for the researcher to return and pick

up the completed questionnaire (in some instances a second return visit was necessary) and, again, the researcher talked with the businessperson. From these informal interviews came much of our data concerning the black businessperson's perception of commercial banks.

Audience Analysis

In order to be consistent with the applied nature of this study, we structured the analysis of the interview and questionnaire data around the audience analysis model proposed by Anderson, Lewis, and Murray (1964). This model has four aspects: (1) the relationship of the audience to the communicator, (2) the relationship of the audience to the subject and purpose of the message, (3) the basic beliefs and attitudes of the audience, and (4) the characteristics of the audience (p. 178). We will consider each of these aspects of audience analysis separately.

The relationship of the Audience to the Communicator. In general we found that the black businesspeople interviewed had little respect for the commercial banks. They did not see the banks as particularly expert in matters pertaining to inner city businesses. We encountered many examples of situations where the banks behaved in what was perceived as an insensitive manner. Many business owners, for instance, complained that the banks placed too much weight on long past court judgments in which the debts were incurred through fraud or misrepresentation. More to the point, one businessman with extensive experience as a short order cook reported that he had applied to a commercial bank for a business loan to open a takeout restaurant. He was told that in order to secure the loan he would have to (1) obtain a lease on the building he intended to occupy, (2) open a checking account with the

bank, (3) obtain a life insurance policy for the amount of the proposed loan, and (4) obtain bids for fixtures and supplies. At considerable effort and expense he complied with the bank's requirements and was informed that his loan application had been rejected. Often the businesspeople saw the banks as unable or unwilling to understand the special characteristics of inner city business. As a result, one auto repair shop owner said that to deal with commercial banks successfully, "You have to lie." The audience did not generally see the interests of the banks as closely allied with their own. In fact, the banks were often distrusted or disbelieved because of what the businesspeople felt the banks symbolically represent (i.e., "the enemy").

Obviously, not all of the businesspeople interviewed were of one mind on this topic. Those members of the audience who were more established, better educated, or more successful tended to see the banks more favorably. However, this portion of the audience was a distinct minority.

The relationship of the Audience to the Subject and Purpose of the Message. As suggested above, our audience, black businesspeople, believed themselves to be more competent on the subject of inner city business than the banks. Many of the interviewees felt that the commercial banks did not give them enough credit for their business achievements. The owner of a restaurant told us that she owned more than \$50,000 worth of inner city business property, but a bank would not grant a business loan using the property as collateral. Instead of seeking business capital or loans from commercial banks, many business owners said that they preferred to go to the Small Business Administration, family, friends, or Savings and Loan Associations for financing. Most had entered business without aid from commercial banks

and continued without reliance on bank loan services. A number of expected disadvantages of doing business with commercial banks were frequently mentioned. These included high interest rates, unrealistic repayment schedules, and uninformed interference into private affairs. In general the audience believed that the banks simply desired to exploit them. A typical example of this sentiment stated by several business owners was, "Sure, they'll give you a loan....just enough rope to hang yourself."

The Basic Beliefs and Attitudes of the Audience. The Crain and Weisman (1972) self-esteem (p. 72) and internal-control (p. 53) scales were used as indices of audience beliefs. The self-esteem scale asks the respondents to rate themselves as above average, about average, or below average on each of ten items: (a) as son/daughter, (b) as father/mother, (c) as husband/wife, (d) in trustworthiness, (e) in willingness to work hard, (f) in intelligence, (g) in mechanical ability, (h) in athletics, (i) as a conversationalist, and (j) in your appeal to women/men. Table 1. presents a summary of the percentages of respondents rating themselves above average on each of these dimensions and the comparable Crain and Weisman percentages. Because Crain and Weisman divided their analysis by male and female respondents, we have done the same. Several of the responses deserve special mention. First, more of the black businesspeople (male and female) surveyed considered themselves above average in their willingness to work hard than any of the Crain and Weisman groups. Second, more of the black businesspeople considered themselves above average on the family oriented items of son/daughter, father/mother, and husband/wife than any of the Crain and Weisman groups. Third, more black female businesspeople rated themselves as above average in

Table 1

Race and Sex Differences in Self Esteem Items
Respondents Rating Themselves Above Average (%)

Item	Crain & Weisman*				Present Study			
	White Male Percentage	Black Male Percentage	White Female Percentage	Black Female Percentage	Black Business People		Female Percentage	
					Male Percentage	Female Percentage		
A As son/daughter	21	20	19	19	37**		24	
B Father/Mother	24	22	26	28	49		38	
C Husband/Wife	28	26	23	27	42		41	
D Trustworthiness	61	43	54	42	57		70	
E Willingness to work hard	59	44	49	40	77		63	
F Intelligence	34	18	18	16	29		12	
G Mechanical Ability	40	29	18	14	28		12	
H Athletics	23	19	13	8	13		6	
I As a conversational- list	26	21	20	22	34		12	
J In your appeal to women/men	14	20	8	11	25		12	

*Crain & Weisman (1972), p. 72.

**Rounded off for comparative purposes.

trustworthiness than any other group. More black male businesspeople rated themselves as above average in trustworthiness than the black males in the Crain and Weisman study. More black male businesspeople also rated themselves above average in intelligence and as conversationalists than their counterparts in the Crain and Weisman study. While the black male businesspeople had the largest percentage of above average ratings as conversationalists, the black female businesspeople had the smallest percentage. On the other items, mechanical ability, athletics, and sex appeal, the black businesspeople rated themselves about the same as their counterparts in the Crain and Weisman study. Overall, black businessmen in this study made an average of 3.96 answers indicating high self-esteem and black businesswomen an average of 2.97 such answers. In the Crain and Weisman study the average number of answers indicating high self-esteem for white males was 3.3, for black males 2.6, for white females 2.5, and for black females 2.2 (p. 74).

The internal-control scale asks the respondent first to agree or disagree with three statements: (1) Good luck is just as important as hard work for success, (2) Very often, when I try to get ahead, something or someone stops me, and (3) People like me don't have a very good chance to be really successful in life. Next, the respondent is asked to indicate which statement of a pair of statements is most strongly believed. There are two pairs of statements: (4) Being a success is mainly a matter of hard work, and luck has little or nothing to do with it, OR Getting a good job depends mainly upon being in the right place at the right time, and (5) When I make plans, I am almost certain that I can make them work, OR It is not always wise to plan too far ahead because many things turn out to be a matter of good or bad

fortune anyhow. Table 2. presents a summary of the percentage of black businesspeople making the high internal-control response to each of the five items and the comparable Crain and Weisman percentages. On four of the five items, the majority of black businesspeople surveyed selected (i.e., agreed or believed) the high internal-control response. These majorities ranged from 80 percent who agreed that they had a chance to be really successful in life down to 57 percent who disagreed that some outside force stops them from getting ahead. On one item, 45 percent of the black businesspeople chose the high internal-control response, while 55 percent agreed that good luck is as important as hard work for success.

The Characteristics of the Audience. Demographic questions similar to those used by Andreasan (1971) were employed to determine some of the characteristics of the black businessowner audience. We found that two-thirds of the businessowners (66%) were male and one-third (34%) were female. This was the same distribution reported by Andreasan (p. 91). This distribution is somewhat different from the Census Tracts (1970) finding that of all employed blacks in the Buffalo area 56 percent were male and 44 percent were female (p. 39). In terms of education we found that 48 percent of the male businessowners had at least twelve years education compared to 42 percent in the Andreasan study (p. 102). Of the female businessowners in this study 71 percent had at least twelve years of education compared with 43 percent in the Andreasan study (p. 102). The Census found that 39 percent of the total Buffalo population (p. 20) and 30 percent of the total Buffalo black population (p. 77) had at least a high school education.

On the question of childhood residence, 66 percent of the male businesspeople surveyed were raised in Southern or border states, compared to the

Table 2
The Internal Control Scale
High Internal Control Response (%)

Item #	General Population Blacks Percentage*	General Population Whites Percentage*	Present Study Black Businesspeople Percentage
1	40	55	45
2	43	63	57
3	69	78	80
4	65	54	70
5	50	**	60

*Crain and Weisman (1972), p. 53.

**Item not asked of whites.

60 percent reported by Andreasan (p. 112), while 25 percent were raised in Buffalo, compared to Andreasan's 20 percent (p. 112). Of the black businesswomen surveyed 45 percent were raised in Southern or border states, 33 percent in Buffalo, and 21 percent in Northern or Central states, compared with 61 percent, 26 percent, and 11 percent respectively reported by Andreasan (p. 112). Of the owners from Buffalo, 20 percent of the males and 30 percent of the females were doing business in the same neighborhood that they grew up in. In Andreasan's study these percentages were 18 percent and 21 percent (p. 112).

In this study, 9 percent of the black male businessowners were in the 18-34 year age range; 59 percent were between 35 and 54 years old; and 31 percent were over 55. Comparable findings for Andreasan were 13 percent, 59 percent, and 29 percent (p. 98). The Census reported that of all black adult males in the Buffalo area 37 percent were between 18 and 34; 41 percent were between 35 and 54; and 23 percent were over 55 (p. 77). For female black businessowners the findings in this study were: 9 percent in the 18-34 bracket, 84 percent in the 35-54 bracket, and 6 percent over 55. Andreasan reported 13 percent in the 18-34 age bracket, 72 percent in the 35-54 bracket, and 16 percent over 55 (p. 98). The Census showed that of all adult black females in the Buffalo area 42 percent were 18 to 34 years old, 39 percent were 35 to 54 years old, and 20 percent were over 55 years old. (p. 77).

In terms of type of businesses, we found that 46 percent of the businesses were retail operations, Andreasan reported 48 percent (p. 56). Fifty percent were service operations; Andreasan reported 47 percent (p. 56). Only 5 percent of the businesses were of the contracting, manufacturing, transportation, utility, or wholesaling type; Andreasan also reported 5 percent in these

classifications (p. 56). We also found that 84 percent of the black businessmen had been in business for more than two years. Of the black businesswomen, 90 percent had been in business more than two years. This included 47 percent of the businessmen and 30 percent of the businesswomen who had been in business for more than ten years. Andreasan's findings on this topic are not really comparable, since his study was conducted five years earlier. Many of his new businesses were our old businesses.

Audience Adaptation

Based on our findings we drew a number of conclusions for the commercial banks to use as guidelines in communicating with the black business audience:

1. The members of the audience perceived themselves, but not the commercial banks, as experts in inner city business. Therefore, the banks might profit by consulting long term, successful black businesspeople on decisions related to inner city loan applicants.
2. The members of the audience perceived themselves, but not the commercial banks, as trustworthy. Therefore, if the banks wished to improve their image, they might provide both capital and managerial help to improve the potential to their loanees to succeed. Secondly, the banks might improve their image by granting more small dollar amount, retail and service loans to help existing businesses to expand.
3. The members of the audience perceived themselves as dynamic, hard working, and masters of their own fates. Therefore, the banks should recognize this maturity in their procedures for dealing with black business loan applicants.
4. The members of the audience perceived themselves as having many of the components of credibility. This suggested that the banks might feature actual black businesspeople in their advertising.
5. The members of the audience perceived themselves to be good family members. This suggested that the banks might feature black businesspeople in both business and family contexts in their advertising.

6. The members of the audience had mixed perceptions of themselves in terms of intelligence, conversational ability, and sex appeal. This suggested that the banks should use appeals based on intellectualism, conformity, or attractiveness with great caution.
7. The members of the audience did not perceive themselves as exceptional in mechanical or athletic ability. This suggested that the banks might avoid appeals based on technological or physical prowess.
8. The members of the audience were better educated than the general population. This suggested that the banks should avoid oversimplifying the messages intended for black businesspeople.
9. One-third of the audience members were women. This suggested that the banks might feature black businesswomen more frequently in their advertising.
10. Most of the members of the audience were between 35 and 54 years old. This suggested that the banks might feature middle-aged instead of young businesspeople in their advertising.
11. Most of the members of the audience had moved to Buffalo from Southern or border states. This, combined with the tendency of the members of the audience to see themselves as having control of their fates, suggested that the banks use appeals based on the desire for self-improvement.

Conclusion

In this paper we have described a communicator-audience problem, the techniques and results of an audience analysis, and some guidelines for alleviating the problem. We would like to be able to report that an advertising campaign based on our guidelines had been implemented by the commercial banks. That has not happened. The commercial banks faced with a liquidity squeeze and a tight money market have been unable to provide enough capital to high return, low risk loan applicants. They have not been interested in encouraging small, low return, high risk loans. In a sense, this is the

disappointing reality of applied research. The applied communication researcher generates information that can be useful in developing solutions to pressing social problems, but the applied researcher seldom has the power to make the critical decisions. The applied communication researcher can only research and recommend, not implement.

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